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(BPD)

SUPPLEMENT 8b to ATTACHMENT 2.6-A
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OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Kentucky

MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902(r)(2) OF THE ACT

☐ Section 1902(f) State

☒ Non-Section 1902(f) State

Resource Exemptions - Categorically and
Medically Needy, Non-Cash Recipients

With regard to the groups listed in
1902(a)(10)(A)(1)(III), 1902(a)(10)(A)(1)(IV),
1902(a)(10)(A)(11), and 1902(a)(10)(C)(1)(III)
of the Social Security Act, the state agency
disregards the following resources.

- * (1) Home property (homestead), a principal place of dwelling, will be excluded when absence is without time limits and without consideration of interest or ability to return. Only one principal place of dwelling may be excluded on this basis.
- * (2) The value of household goods and personal effects, as defined under SSI policy which SSI counts.
- * (3) Interest accruing to a burial reserve and burial spaces is disregarded in determining resources. Burial reserves are defined as prepaid burial agreements, burial trust funds, life insurance policies which accrue cash surrender value, and other identifiable funds or resources designated as set aside for the individual's burial expense. Burial spaces are defined as conventional grave sites, crypts, mausoleums, urns, vaults, caskets, opening and closing of the grave, headstone, etc., used for the remains of deceased persons. (This policy is to apply to all the above noted groups. Even though this is AFDC and SSI policy, the state plans to protect the exclusion under the authority of Section 1902(r)(2) to the extent that any part of such interest is or becomes countable as a resource.)

*In currently approved state plan.

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- * (4) One automobile is excluded regardless of value if it is used for employment, to obtain medical treatment, or if specifically equipped for the handicapped. \$4,500 is then excluded from the total equity value of any non-excluded automobiles.
- (5) Equity in income producing non-homestead real estate
is exempted even when the SSI test of "income producing" is not met.
- NOTE: The value of non-homestead real estate is that as determined by the county property valuation administrator (PVA) for tax purposes, or the market value if less. If the PVA valuation is within the limit, no determination of market value is made.
- Effective with regard to determinations of eligibility made on or after May 1, 1990, the value of property (including the tools of a tradesperson and the machinery and livestock of a farmer) that is essential for self-support for the individual or spouse, or family group in the instance of families with children, and which is used in a trade or business or some other manner, or by the individual or member of the family group as an employee is excluded from consideration as a resource.
- * (6) Burial reserves (whether in the form of a prepaid burial, trust fund or life insurance policy) are exempt from consideration up to a value of \$1,500 per individual. If the value of the burial reserve exceeds \$1,500, the excess is added to the total of liquid assets

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in determining eligibility. When a life insurance policy considered as a burial reserve has a face value in excess of \$1,500 (per individual), the cash surrender value in excess of the disregard amount is considered a liquid asset.

- * (7) The state agency does not consider the value of life interests in real estate or other property as an available resource.
- * (8) If resources are equal to or less than the limits when an application or re-investigation is processed at any time during the month, the case is considered to be resource eligible for the full month.
- * (9) IRAs, Keogh Plan Funds, 401(k) retirement funds, and other deferred tax protected assets are considered as an unavailable resource until accessed by the owner. When accessed, the available amount is the amount actually withdrawn minus any penalty amounts resulting from the withdrawal.

* In currently approved state plan.

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